

**DIVISION OF ENVIRONMENTAL HEALTH
SOLID WASTE PROGRAM
410 WILLOUGHBY AVE., SUITE 303
JUNEAU, AK 99801
<http://www.state.ak.us/dec/deh>**

**Telephone: (907) 465-5162
Fax: (907) 465-5164**

Certified Mail – Return Receipt No.: 7000-0520-0025-2110-0236

March 14, 2002

Ms. Faye W. Sullivan
Advising Environmental Scientist
Unocal Corporation
P.O. Box 196247
Anchorage, AK 99519-6247

RE: Solid Waste Permit # 0123-BA003

Dear Ms. Sullivan:

The Department of Environmental Conservation has completed its evaluation of your permit application dated November 30, 2001. The application proposes mechanical treatment of RCRA exempt, non-hazardous drilling waste from oil and gas activities for disposal by injection in a disposal well approved by the Alaska Oil and Gas Conservation Commission (AOGCC). The application also requests approval for storage of drilling wastes prior to treatment. This facility will be located on the Bruce Platform, located in Upper Cook Inlet at latitude 60° 59' 65" N and longitude 151° 17' 52" W. The Department issues this permit in accordance with AS 46, 18 AAC 15, and 18 AAC 60. Please review the conditions and stipulations in the permit and ensure they are all understood. This permit is effective upon issuance and expires March 14, 2007.

Any person who disagrees with this decision may appeal by requesting an adjudicatory hearing, using the procedures contained in 18 AAC 15.200-310. Hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 555 Cordova Street, Anchorage, Alaska 99501, within 30 days of receipt of this letter. If a hearing is not requested within 30 days, the right to appeal is waived. Even if an adjudicatory hearing has been requested and granted, all permit conditions remain in full force and effect.

Sincerely,

Heather T. Stockard
Solid Waste Program Manager

Enclosure: Permit #0123-BA003

**STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF ENVIRONMENTAL HEALTH
SOLID WASTE PROGRAM
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501**

**SOLID WASTE TREATMENT FACILITY PERMIT
UNOCAL CORPORATION
BRUCE PLATFORM SOLID WASTE TREATMENT FACILITY**

UNOCAL CORPORATION
PERMIT NO. 0123-BA003

Page 1 of 8
March 14, 2002

The Alaska Department of Environmental Conservation, Division of Environmental Health, Solid Waste Program, in accordance with the requirements of Alaska Statute 46.03, and Alaska Administrative Code, Title 18, Chapters 15 and 60, as amended or revised, issues a Solid Waste Treatment Facility Permit to:

**Unocal Corporation
Post Office Box 196247
Anchorage, Alaska 99519-6247
For The Bruce Platform Solid Waste Treatment Facility**

This permit authorizes the processing/treatment of RCRA exempt, non-hazardous drilling wastes from oil and gas exploration and production activities prior to disposal by injection in an approved injection well. This permit also approves temporary storage of drilling waste prior to processing. This facility is located on the Bruce Platform, located in Upper Cook Inlet at latitude 60° 59' 65" N and longitude 151° 17' 52" W. The Department issues this permit in accordance with AS 46, 18 AAC 15, and 18 AAC 60. The Department received an application for this treatment facility permit on November 30, 2001. The Department published a public notice in the Peninsula Clarion on January 25 & 28, 2002. This project was determined to be consistent with the standards of the Alaska Coastal Management Program on March 13, 2002 and the operation of this facility is subject to the conditions of this permit.

This permit is effective upon issuance and expires March 14, 2007, at which time this permit must be renewed or the facility closed. The Department must receive an application for permit renewal at least 30 days before the permit expiration date. The Department may terminate or modify this permit in accordance with AS 46.03.120.

Heather T. Stockard
Solid Waste Program Manager

SPECIFIC CONDITIONS

A. Application Compliance

This permit is based on the November 30, 2001 application from Unocal Corporation (Unocal). Unocal must comply with the designs and plans submitted in the application, unless modified in this permit. Unocal may request a permit modification in writing, which must be authorized and signed by the Solid Waste Program Coordinator before the permit modification is effective.

B. Site Preparation

1. Signs [18 AAC 60.240(a)]

Unocal shall:

Install and maintain a readable sign at the facility, which identifies the following information:

- a. Name of the facility and the permittee;
- b. Emergency telephone numbers;
- c. Type of waste processed at the facility; and,
- d. Specify that municipal camp waste and hazardous waste are prohibited.

2. Surface Water Quality Control [18 AAC 60.225, 18 AAC 60.430(c)]

Unocal shall control drainage from the facility to prevent a violation of the water quality standards of 18 AAC 70.

C. Facility Operation

1. Treatment Facility Operations

Unocal shall:

- a. Limit the waste stored and treated at the facility to: drilling wastes associated with the exploration, development, and production of crude oil or natural gas, including drilling muds, cuttings, hydrocarbons, brine, acid, sand, pigging waste, vessel clean outs, and emulsions or mixtures of fluids produced from and unique to the operation or maintenance of a well, whether naturally occurring or added for the operation or productivity of the well; drilling wastes include only wastes described in this paragraph, which are derived intrinsically from primary field operations, produced from a well, and removed at the drill site or removed at a

crude oil production facility by crude oil or waste water treatment process before custody transfer of the crude oil; drilling wastes do not include spent solvents and oils from equipment maintenance activities, discarded chemical products, or fuels;

- b. Ensure that wastes are stored in a manner that will not damage or otherwise jeopardize the integrity of the waste storage container. Waste containers shall be designed to contain drilling waste during transportation to the facility, as well as during storage at the facility; and,
- c. Ensure that waste containers are stored in an area where any release of waste will be contained.

2. Fluid Management

Unocal shall remove all pumpable liquids from the waste containers as soon as possible to prevent overtopping of fluids and dispose of the liquids in accordance with all applicable state laws and regulations.

3. Spill Reporting

Unocal shall report any spills of drilling waste to surface water during handling of waste as required by law to State, Federal, and local agencies.

4. Hazardous and Other Prohibited Waste

Unocal shall prohibit treatment at the grind and inject facility of RCRA non-exempt oily wastes (such as used oil filters, shop rags, and absorbents), prohibited chemical waste, radioactive material other than naturally occurring radioactive material (NORM), solvents, corrosives, lead-acid batteries, polychlorinated biphenyl (PCB) fluids, explosives, and any other hazardous waste defined and regulated under 40 CFR 261. Report all spills or discharges of hazardous substances that occur at the facility as described in 18 AAC 75, Article 3, as revised or amended.

D. Monitoring

1. Visual Monitoring [18 AAC 60.800]

Unocal shall:

- a. Ensure that a person who is familiar with the requirements of this permit and with the applicable requirements of the Solid Waste Management Regulations, 18 AAC 60, conduct a visual inspection of the facility weekly while the grind

and inject (G&I) facility is operating, receiving and/or storing waste, and maintain a written record of each inspection. The records must be made available to the Department upon request and should be kept in the operating record for the facility.

This visual monitoring program will detect and document:

- i. Damage or signs of potential damage to any component of the facility from leakage or operations at the facility;
 - ii. Violations of permit conditions or the requirements of 18 AAC 60;
 - iii. Contamination of surface water;
 - iv. Escapement of waste or leachate or any placement of unauthorized waste in the waste cell; and,
 - v. Evidence of death or stress to fish or wildlife that might be caused by the facility.
- b. Upon noticing any permit violation or damage to the facility, immediately notify the ADEC Solid Waste Program office and initiate any corrective action necessary.

E. Recordkeeping

[18 AAC 60.235]

Unocal shall maintain a facility operating record. The record must be retained at a location that is readily accessible for department review and by employees working at the facility. The operating record must consist of:

1. The permit application and the permit;
2. Inspection records, training procedures, and notification procedures, if required by 18 AAC 60.240;
3. Any demonstration, certification, finding, monitoring, testing, or analytical data required by 18 AAC 60.800 - 18 AAC 60.860;
4. Any permit or record required under the Clean Water Act as that Act applies to leachate and storm water discharges;
5. Financial assurance documentation if required under 18 AAC 60.265;

6. The operating plan required in 18 AAC 60.210(b)(9); and,
7. Any other documents required by this permit or 18 AAC 60 to be kept in the operating record.

F. Corrective Action

[18 AAC 60.815]

Unocal shall:

1. At the request of the Department, sample and analyze any surface water if damage, potential escapement of waste or leachate, or other problems that may affect surface water quality are observed as a result of the visual monitoring program;
2. Determine the extent of the contamination and if migration from the facility is the cause of the change in water quality;
3. Evaluate whether the water quality standards in 18 AAC 70 are threatened or exceeded at the point of compliance;
4. Submit written notification to the department within thirty (30) days after detecting a violation of the applicable water quality standards. If the violation occurs in a water body known by the owner or operator to be used as a drinking water supply, written notification to the Department must take place immediately after the owner or operator discovers the violation; and,
5. Take appropriate action to correct a violation or damage, prevent the escape of waste or leachate, and clean up any improper waste disposal if any violation of a permit condition, State regulation, or structural damage to the facility or a monitoring device is observed.

G. Treatment Facility Closure

[18 AAC 60.400]

Unocal shall:

1. Notify, in writing, the Department's Anchorage Solid Waste Program at least thirty (30) days before the facility is permanently closed;
2. Notify, in writing, the Department's Anchorage Solid Waste Program if the facility will be temporarily closed for more than one year;
3. Remove all waste material remaining at the site and transport it to another permitted

facility for disposal.

H. Violation and Enforcement

1. Noncompliance with any section of this permit constitutes a violation of the permit;
2. Pollution, as defined in AS 46.03.900, resulting from the operation of this permitted facility, constitutes a violation of this permit; and,
3. A violation of any condition of this permit may result in the imposition of civil penalties in accordance with AS 46.03.760 and/or criminal penalties AS 46.03.790. Additionally, Unocal may be required to expand monitoring, evaluate impacts, and provide restoration at the site.

GENERAL CONDITIONS

A. Access and Inspection

The Department's representatives shall be allowed access to Unocal's facilities to conduct scheduled or unscheduled inspections or tests to determine compliance with this permit and State laws and regulations.

B. Availability of Records

Except for information related to confidential processes or methods of manufacture, all application materials and records and reports submitted in accordance with the terms of this permit shall be available for public inspection at the Department's Southcentral Regional Office.

C. Location of Permit and Application

Unocal shall maintain a copy of this permit and facility plans at the disposal facility or, if that is not feasible, at Unocal's or operator's place of business.

D. Civil and Criminal Liability

Nothing in this permit shall be construed to relieve Unocal from civil or criminal penalties for noncompliance, whether or not such noncompliance is due to factors beyond his control, including but not limited to accidents, equipment breakdowns, or labor dispute.

E. Adverse Impacts

Unocal shall take all necessary means to minimize any adverse impact to the receiving waters or lands resulting from a violation or noncompliance with any limitations specified in this permit, including any additional monitoring needed to determine the nature and impact of the activity in noncompliance. Unocal shall cleanup and restore all areas adversely impacted by the noncompliance.

F. Cultural or Paleontological Resources

Should cultural or paleontological resources be discovered as a result of this activity, work which would disturb such resources are to be stopped, and the Office of History and Archaeology, Division of Parks and Outdoor Recreation, Department of Natural Resources, is to be notified immediately (907) 269-8721.

G. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, nor does it authorize any damage to private property.

H. Modifications or Changes

This permit authorizes only that operation specified in the application and permit. Any alteration, installation, expansion or modification which was not submitted as a component of the permitted facility plan will require a written plan approval or permit amendment prior to implementation. Any expansion, modification, or other change in a facility process or operation, which may result in an increase in emissions or discharges or may cause other detrimental environmental impacts from Unocal's facility, requires a new permit.

I. Applications for Permit Renewal, Amendment or Plan Approval

Application for a renewal of, or amendment to, a permit will be treated in the same manner as the initial application, except that public notice or hearing may not be required for applications for renewal or amendment. Application for renewal or amendment or plan approval must be made no later than 30 days before the expiration of the permit or the planned effective date of the amendment or change.

J. Transfers

This Department reserves the sole discretion to transfer this permit. The Permittee may request to transfer this permit to another proposed Permittee. The written request must include a certified signed affidavit from the proposed new Permittee stating that they accept this permit in its entirety. The permittee is responsible to insure that all terms and conditions of the permit are met until the transfer is approved. Transfer of the permit is only valid when written approval has been received from the department. Should operation of the facility be contracted or a change in contractors is made, the new contractor shall be notified of the existence of the permit and its conditions.

K. Termination

This permit terminates upon the expiration date. The Department has the authority to terminate a permit upon 30 days written notice if the Department finds that there has been a violation of the conditions of the permit.

L. Pollution Prevention

In order to prevent and minimize present and future pollution, when making management decisions that affect waste generation, the Permittee shall consider the following order of priority options, as outlined in AS 46.06.021:

1. Waste source reduction;
2. Recycling of waste;
3. Waste treatment; and
4. Waste disposal.